



Adjustment Budget Report

*Prepared in terms of the Local
Government: Municipal Finance*

Management Act (56/2003):

Municipal Budget and Reporting

Regulations, Government

Gazette 32141, 17 April 2009.

*“Siyathemba undertakes to improve the
standard of living for the entire community
by delivering visible and affordable services”*

Adjustment Budget
dated
28 February 2014

Siyathemba
Municipality

Table of Contents

Glossary	3
PART 1 - ADJUSTMENTS BUDGET	5
Section 1 - Mayor's Report.....	5
Section 2 - Resolutions	6
Section 3 - Executive Summary	8
Section 4 - Adjustments budget tables	11
PART 2 - SUPPORTING DOCUMENTATION	21
Section 5 - Adjustments to budget assumptions.....	22
Section 6 - Adjustments to budget funding	22
Section 8 - Adjustments to allocations or grants made by the District Municipality	24
Section 10 - Adjustments to service delivery and budget implementation plan	25
Section 11 - Adjustments to capital expenditure	27
Section 12 - Other supporting documents	27
Section 13 - Municipal Manager's quality certification	28
Annexure 1	Error! Bookmark not defined.

Glossary

Adjustments Budget - Prescribed in section 28 of the MFMA. The formal means by which a District Municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

AFS - Annual Financial Statements.

Budget - The financial plan of the Siyathemba Municipality.

Budget Related Policy - Policy of a District Municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the District Municipality's Statement of Financial Performance.

Cash Flow Statement - A statement showing when actual cash will be received and spent by the District Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the District Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

CFO - Chief Financial Officer of Siyathemba Municipality

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable Share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP - Integrated Development Plan. The main strategic planning document of the District Municipality

KPI's - Key Performance Indicators. Measures of service output and/or outcome.

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - The Municipal Finance Management Act - No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF - Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position.

NT - National Treasury

Net Assets - Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the District Municipality equates to the "net wealth" of the District Municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure - Spending on the day to day expenses of the District Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

R&M - Repairs and maintenance on property, plant and equipment.

SCM - Supply Chain Management.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives - The main priorities of the District Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - Generally, spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers.

Vote - One of the main segments into which a budget. In Siyathemba Municipality this means at directorate level. The votes for therefore are:

- Executive and Council
- Budget and Treasury Office
- Corporate Services
- Technical and Engineering Services

PART 1 - ADJUSTMENTS BUDGET

Section 1 - Mayor's Report

Introduction

The adjustment budget seeks to rectify issues identified in the mid-year assessment of the financial results as well as the inclusion of additional allocations. It is drafted in terms of section 28 of the MFMA and seeks to adhere to the stipulations of specifically section 28(2) of the MFMA.

1.1 Reasons for the adjustments budget

The reason for the tabling of an adjustment budget is fully disclosed in the executive summary of this report. A brief summary of the reasons in terms of Sect 28 of the MFMA are discussed below:

1.1.1 New allocations of cash backed accumulated funds;

No new allocations from cash backed accumulated funds was included.

1.1.2 Multi-year funds shifting in relation to the capital programme;

No shifting of multi-year capital programs took place.

1.1.3 Unforeseen and unavoidable expenditure;

No unforeseen and unavoidable expenditure as in terms of section 29 of the MFMA was included.

1.1.4 Allocations and grant adjustments; and

The only adjustment done was the additional funds received amounting to R2,500 000.00 received for Project Nala and Housing grant amounting to R13,5 million rands for the servicing of erven.

1.1.5 Correction of budget errors

None

1.2 Any other information considered relevant by the mayor

The approval of the adjustment budget is a result of announced increased capital expenditure of R13.5m for the servicing of 310 plots for bulk services and a reduction in operational revenue.

We welcome the extra capital to address a most basic need in our community of housing and the successful implementation will lead to it that in future year's families will be allocated houses.

Although our collection rate, average 79.1%, since July 2013 till January 2014 has improved slightly against prior years and the institution is working to improve it to well beyond 90%.

The operational revenue budget, excluding capital transfers and conditional grants, has been adjusted downwards to R62.5m (budgeted R74.5m) and operational expenditure with R18.1m to R87.3m.

However, this reality of non-payment is addressed in our communities by indicating the adverse effects on service delivery and efforts are made to implement improved debt collection measures to change this situation for the best.

Also with the next budget cycle cost cutting measures will be implemented to contain cost at a level that match our income and any additional funds will be available to improve on the sustainability of our Municipality.

The rate of spending needs to be curbed as well to be in line with projected income and intervals of it coming available.

Undoubtedly Siyathemba is better than 20 years ago and we eco that we have a good story to tell.

Lives has been improved and physical conditions changed for the better and better relations are at play in our community and the spirit of a prosperous Siyathemba and South Africa is found and can be felt.

The period ahead remains challenging and would require measured and balanced leadership to ensure stability in our communities.

We do believe that by Council and the Administration working together with all our stakeholders and other spheres of government we will be able to move Siyathemba forward.

Section 2 - Resolutions

ADJUSTMENT BUDGET 2013/2014

The resolution tabled at Council for consideration with approval of the adjustments budget is:

RECOMMENDATION:

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

- (a) That the adjustments budget of Siyathemba Municipality for the financial year 2013/2014 as set out in the schedules contained in section 4 be approved:
- (i) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (ii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iii) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (iv) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)

Section 3 - Executive Summary

3.1 INTRODUCTION

The adjustments budget for 2013 is the first adjustment budget of Siyathemba Municipality prepared via the SEBATA financial system to comply with the Budget and Reporting Regulations and guidelines as issued by NT.

It became evident during the mid-year assessment that the calculation of the depreciation charges at the budget stage was totally inadequate and adjustments needs to be made to the Government grants and allocations.

3.2 OPERATIONAL BUDGET

The operational revenue budget excluding capital transfers recognised has been adjusted downwards to (excluding conditional grants) R62 574 000.00.

The operational expenditure has been adjusted downwards by R18 181 000 to an amount of R87 335 000.00

The detail amounts of both revenue and expenditure for the adjustment budget are included in Table B4 in Section 4 of this report.

Operating Revenue

The adjustments to the operating revenue budget consists of downwards adjustments to:

- Service charges - Electricity Revenue R18 390 000.00
- Service charges - Water Revenue R8 792 000.00
- Service charges - Sanitation Revenue R7 588 000.00
- Service charges - Refuse Revenue R 2 500 000.00

Refer to Annexure 1, 'Supporting Table SB8 Adjustment Budget - expenditure on transfers and grant programme'.

Operating Expenditure

The adjustments to the operating expenditure budget consists of adjustments to:

- Employee related cost of R35 848 000.00;
- Other expenditure of R51 487 000.00

Capital budget

The capital budget amounts were not adjusted. Projects in the budget were shifted as per the table below.

The table below provides the value projects that were included in the budget.

Department	Projects	Source of Finance	BudgetYear	BudgetYear +1	BudgetYear +2
Road Transport	Upgrade Tar Roads	National Government	4,541,550	6,500,000	
Electricity	High mass lighting - PSK, MD, NKH	National Government	1,900,000		
Waste Water	Marydale Waste Water Treatment Works	National Government	5,358,450		
Waste Water	Sewerage - PSK, MD, NKH	National Government		3,208,000	9,821,000
Electricity	INEP	National Government	2,400,000	3,950,000	3,100,000
RBIG	RBIG	National Government	6,500,000		
Housing	Housing Grant	National Government	13,500,000		
			34,200,000	13,658,000	12,921,000

Refer to Annexure 1, 'Supporting Table SB19 List of Capital Projects affected by the Adjustments Budget'.

3.3 Effect of the adjustments budget

3.3.1 Service delivery and budget implementation plan

Except for the adjustment of the monthly revenue and expenditure targets the effect to the SDBIP's are zero. None of non-financial performance targets have been adjusted.

3.3.2 Service delivery agreements

No service delivery agreements will be influenced by the approval of the adjustments budget.

3.3.3 Medium term revenue and expenditure framework

The effect to the outer years has not been included.

3.3.4 Long term financial sustainability

The deficit decreased from before capital transfers recognised R30 983 000.00 to a deficit of R 24 260 000.00

The Municipality has a cash shortage when the reconciliation of cash and cash equivalents versus commitments is performed. The shortage is R 7 097 000.00; the Municipality needs to take this into account when future budgets are compiled. A strategy needs to be developed and included in the cash and reserves policy in order to fund this deficit over long-term period.

It would place tremendous pressure on the operational and capital budget in order to achieve this.

Refer to Section 4 'Table B9 Cash backed reserves/accumulated surplus reconciliation'.

3.4 Adjustment highlights

The adjustments budget seeks to comply with section 28 of the MFMA. The adjustments can best be discussed according to the sub-sections below:

- **Budget Reforms**

The budget regulations promulgated in terms of the MFMA prescribes the format of the budget. Even the layout of this report is prescribed in terms of the MBRR. All of these reforms will be adhered to with the acceptance of this budget. All line items were coded, both for cash flow, financial performance and financial position in order to be able to extract and complete the prescribe schedule B.

- **Depreciation charges**

The municipality is currently in the process of completing the asset register. At the time of the compilation of the adjustment budget, the figure for depreciation was not yet known. The estimate amount of R10.5 million was used.

- **Transfers and Grants**

A system should be adopted in order to ensure that only projects and programmes for the funding has been secured via a DORA allocation or approved Provincial gazette is included.

- **Shifting of Projects**

At face value it creates the impression that no system exists to prioritise projects based on project plans that can be executed at short notice. Major movements did take place and it is best illustrated by the Supporting table that lists all the affected projects (Table SB 19).

3.5 Conclusion

This Adjustment Budget provided the final opportunity to adjust the financial targets and to increase or reduce the focus on certain focus areas for the current financial year ending at 30 June 2014.

Section 4 - Adjustments budget tables

Section 1 and 3 already dealt in detail with the accounting and budget changes made to the budget documents. The tables below set out the figures for firstly the original budget; then the next 7 columns provide detail of the adjustment budget; with the adjustment budget and the two outer years in the last three columns.

The tables that will follow in order listed below are:

4.1 Table B1 - Budget Summary

(Providing an executive summary of Tables B2 to B10)

4.2 Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

(This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.)

4.3 Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

(The operating expenditure budget is approved by Council on the municipal vote level. The Municipal votes reflect the organisational structure of the District Municipality which is made up of the following directorates: Management Services; Financial Services; Corporate Services and Technical Services)

4.4 Table B4 - Budgeted Financial Performance (revenue and expenditure)

4.5 Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding

4.6 Table B6 - Budgeted Financial Position

4.7 Table B7 - Budgeted Cash Flows

4.8 Table B8 - Cash backed reserves/accumulated surplus reconciliation

4.9 Table B9 - Asset Management

4.10 Table B10 - Basic service delivery measurement

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B1

NC077 Siyathemba - Table B1 Adjustments Budget Summary - 28/02/2013

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	8,025	-	-	-	-	-	(78)	(78)	7,947	8,426	8,848
Service charges	38,709	-	-	-	-	-	(11,073)	(11,073)	27,636	34,572	37,181
Investment revenue	350	-	-	-	-	-	-	-	350	400	450
Transfers recognised - operational	21,171	-	-	-	-	-	20	20	21,191	22,427	24,149
Other own revenue	6,277	-	-	-	-	-	(828)	(828)	5,450	6,983	7,617
Total Revenue (excluding capital transfers and contributions)	74,532	-	-	-	-	-	(11,959)	(11,959)	62,574	72,808	78,244
Employee costs	36,208	-	-	-	-	-	(359)	(359)	35,848	38,272	39,454
Remuneration of councillors	2,381	-	-	-	-	-	-	-	2,381	2,575	2,737
Depreciation & asset impairment	10,588	-	-	-	-	-	-	-	10,588	11,105	11,547
Finance charges	757	-	-	-	-	-	10	10	767	792	792
Materials and bulk purchases	17,684	-	-	-	-	-	-	-	17,684	19,934	21,560
Transfers and grants	7,229	-	-	-	-	-	(7,229)	(7,229)	-	-	-
Other expenditure	30,670	-	-	-	-	-	(10,603)	(10,603)	20,067	20,729	21,604
Total Expenditure	105,516	-	-	-	-	-	(18,181)	(18,181)	87,335	93,407	97,693
Surplus/(Deficit)	(30,983)	-	-	-	-	-	6,223	6,223	(24,761)	(20,600)	(19,449)
Transfers recognised - capital	18,370	-	-	-	-	-	15,647	15,647	34,017	17,087	16,533
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)
Capital expenditure & funds sources											
Capital expenditure	23,035	-	-	-	-	-	11,165	11,165	34,200	13,658	12,921
Transfers recognised - capital	20,635	-	-	-	-	-	13,565	13,565	34,200	13,658	12,921
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2,400	-	-	-	-	-	(2,400)	(2,400)	-	-	-
Total sources of capital funds	23,035	-	-	-	-	-	11,165	11,165	34,200	13,658	12,921
Financial position											
Total current assets	18,480	-	-	-	-	-	(11,276)	(11,276)	7,205	25,901	76,394
Total non current assets	276,314	-	-	-	-	-	(61)	(61)	276,253	278,866	279,845
Total current liabilities	48,584	-	-	-	-	-	(34,593)	(34,593)	13,991	53,874	87,919
Total non current liabilities	15,695	-	-	-	-	-	2,167	2,167	17,862	16,147	16,587
Community wealth/Equity	230,516	-	-	-	-	-	21,089	21,089	251,605	234,746	251,733
Cash flows											
Net cash from (used) operating	3,947	-	-	-	-	-	18,984	18,984	22,931	6,974	9,812
Net cash from (used) investing	(23,032)	-	-	-	-	-	-	-	(23,032)	(13,655)	(12,918)
Net cash from (used) financing	(361)	-	-	-	-	-	(159)	(159)	(520)	(415)	(478)
Cash/cash equivalents at the year end	(23,730)	-	-	-	-	-	24,730	24,730	1,000	(30,827)	(34,410)
Cash backing/surplus reconciliation											
Cash and investments available	(23,729)	-	-	-	-	-	23,730	23,730	1	(30,826)	(24,588)
Application of cash and investments	10,944	-	-	-	-	-	(1,471)	(1,471)	9,473	(2,230)	(5,881)
Balance - surplus (shortfall)	(34,673)	-	-	-	-	-	25,201	25,201	(9,472)	(28,596)	(18,708)
Asset Management											
Asset register summary (WDV)	275,798	-	-	-	-	-	-	-	275,798	281,093	281,093
Depreciation & asset impairment	10,588	-	-	-	-	-	-	-	10,588	11,105	11,547
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	3,690	-	-	-	-	-	(747)	(747)	2,944	3,141	3,145
Free services											
Cost of Free Basic Services provided	2,627	-	-	-	-	-	-	-	2,627	3,878	5,750
Revenue cost of free services provided	10,398	-	-	-	-	-	-	-	10,398	10,918	11,464
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	1	-	-	-	-	-	-	-	1	1	1
Energy:	0	-	-	-	-	-	-	-	0	0	0
Refuse:	5	-	-	-	-	-	-	-	5	5	5

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B2

NC077 Siyathemba - Table B2 Adjustments Budget Financial Performance (standard classification) - 28/02/2013											
Standard Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Revenue - Standard											
<i>Governance and administration</i>	24,857	-	-	-	-	-	(791)	(791)	24,066	26,642	28,820
Executive and council	635	-	-	-	-	-	70	70	705	673	724
Budget and treasury office	23,349	-	-	-	-	-	(793)	(793)	22,555	25,022	27,128
Corporate services	874	-	-	-	-	-	(68)	(68)	806	948	968
<i>Community and public safety</i>	809	-	-	-	-	-	82	82	891	820	829
Community and social services	749	-	-	-	-	-	82	82	831	754	759
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Housing	60	-	-	-	-	-	-	-	60	66	70
Health	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	13,953	-	-	-	-	-	15,405	15,405	29,358	10,924	11,102
Planning and development	-	-	-	-	-	-	-	-	-	-	-
Road transport	13,953	-	-	-	-	-	15,405	15,405	29,358	10,924	11,102
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	53,283	-	-	-	-	-	(11,008)	(11,008)	42,275	51,508	54,027
Electricity	26,644	-	-	-	-	-	(3,369)	(3,369)	23,276	30,044	31,090
Water	10,990	-	-	-	-	-	(1,982)	(1,982)	9,008	9,914	10,924
Waste water management	11,412	-	-	-	-	-	(3,812)	(3,812)	7,599	8,479	8,679
Waste management	4,237	-	-	-	-	-	(1,845)	(1,845)	2,392	3,070	3,333
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	92,902	-	-	-	-	-	3,688	3,688	96,590	89,895	94,777
Expenditure - Standard											
<i>Governance and administration</i>	43,727	-	-	-	-	-	(7,296)	(7,296)	36,431	37,258	39,242
Executive and council	7,813	-	-	-	-	-	(1,193)	(1,193)	6,620	7,468	7,913
Budget and treasury office	27,453	-	-	-	-	-	(3,763)	(3,763)	23,690	22,984	24,282
Corporate services	8,461	-	-	-	-	-	(2,340)	(2,340)	6,121	6,806	7,047
<i>Community and public safety</i>	3,969	-	-	-	-	-	(28)	(28)	3,942	4,226	2,588
Community and social services	1,359	-	-	-	-	-	(69)	(69)	1,290	1,404	1,451
Sport and recreation	2,604	-	-	-	-	-	42	42	2,646	2,815	1,131
Public safety	6	-	-	-	-	-	-	-	6	7	7
Housing	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	13,073	-	-	-	-	-	(3,119)	(3,119)	9,954	11,291	12,071
Planning and development	-	-	-	-	-	-	-	-	-	-	-
Road transport	13,053	-	-	-	-	-	(3,119)	(3,119)	9,934	11,271	12,051
Environmental protection	20	-	-	-	-	-	-	-	20	20	20
<i>Trading services</i>	44,737	-	-	-	-	-	(7,734)	(7,734)	37,003	40,622	43,782
Electricity	20,607	-	-	-	-	-	(500)	(500)	20,107	22,832	24,462
Water	8,040	-	-	-	-	-	(2,057)	(2,057)	5,983	6,216	6,730
Waste water management	8,746	-	-	-	-	-	(3,662)	(3,662)	5,083	5,235	5,766
Waste management	7,343	-	-	-	-	-	(1,515)	(1,515)	5,829	6,338	6,824
<i>Other</i>	10	-	-	-	-	-	(5)	(5)	5	10	10
Total Expenditure - Standard	105,516	-	-	-	-	-	(18,181)	(18,181)	87,335	93,407	97,693
Surplus/ (Deficit) for the year	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B3

NC077 Siyathemba - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2013											
Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Revenue by Vote											
Vote 1 - EXECUTIVE AND COUNCIL	635	-	-	-	-	-	70	70	705	673	724
Vote 2 - BUDGET & TREASURY OFFICE	23,349	-	-	-	-	-	(793)	(793)	22,555	25,022	27,128
Vote 3 - CORPORATE SERVICES	2,811	-	-	-	-	-	(81)	(81)	2,730	2,957	3,047
Vote 4 - TECHNICAL & ENGINEERING SERVICES	66,108	-	-	-	-	-	4,492	4,492	70,600	61,243	63,878
Vote 5 - [NAME OF VOTE 5]	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	92,902	-	-	-	-	-	3,688	3,688	96,590	89,895	94,777
Expenditure by Vote											
Vote 1 - EXECUTIVE AND COUNCIL	7,813	-	-	-	-	-	(1,193)	(1,193)	6,620	7,468	7,913
Vote 2 - BUDGET & TREASURY OFFICE	27,453	-	-	-	-	-	(3,763)	(3,763)	23,690	22,984	24,282
Vote 3 - CORPORATE SERVICES	11,732	-	-	-	-	-	(2,635)	(2,635)	9,097	10,216	10,761
Vote 4 - TECHNICAL & ENGINEERING SERVICES	58,519	-	-	-	-	-	(10,591)	(10,591)	47,928	52,739	54,738
Vote 5 - [NAME OF VOTE 5]	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	105,516	-	-	-	-	-	(18,181)	(18,181)	87,335	93,407	97,693
Surplus/ (Deficit) for the year	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B4

NC077 Siyathemba - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28/02/2013											
Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Revenue By Source											
Property rates	8,025	-	-	-	-	-	(78)	(78)	7,947	8,426	8,848
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	21,948	-	-	-	-	-	(3,558)	(3,558)	18,390	23,494	25,137
Service charges - water revenue	8,792	-	-	-	-	-	-	-	8,792	9,676	10,683
Service charges - sanitation revenue	7,588	-	-	-	-	-	-	-	7,588	8,467	8,667
Service charges - refuse revenue	2,500	-	-	-	-	-	-	-	2,500	2,750	3,000
Service charges - other	(2,119)	-	-	-	-	-	(7,515)	(7,515)	(9,633)	(9,815)	(10,306)
Rental of facilities and equipment	801	-	-	-	-	-	23	23	823	880	904
Interest earned - external investments	350	-	-	-	-	-	-	-	350	400	450
Interest earned - outstanding debtors	320	-	-	-	-	-	180	180	500	350	375
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Fines	146	-	-	-	-	-	(95)	(95)	51	158	171
Licences and permits	-	-	-	-	-	-	-	-	-	-	-
Agency services	983	-	-	-	-	-	-	-	983	1,032	1,081
Transfers recognised - operating	21,171	-	-	-	-	-	20	20	21,191	22,427	24,149
Other revenue	4,028	-	-	-	-	-	(935)	(935)	3,093	4,563	5,086
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	74,532	-	-	-	-	-	(11,959)	(11,959)	62,574	72,808	78,244
Expenditure By Type											
Employee related costs	36,208	-	-	-	-	-	(359)	(359)	35,848	38,272	39,454
Remuneration of councillors	2,381	-	-	-	-	-	-	-	2,381	2,575	2,737
Debt impairment	3,165	-	-	-	-	-	-	-	3,165	3,194	3,542
Depreciation & asset impairment	10,588	-	-	-	-	-	-	-	10,588	11,105	11,547
Finance charges	757	-	-	-	-	-	10	10	767	792	792
Bulk purchases	17,684	-	-	-	-	-	-	-	17,684	19,934	21,560
Other materials	-	-	-	-	-	-	-	-	-	-	-
Contracted services	7,843	-	-	-	-	-	(3,968)	(3,968)	3,875	2,388	2,453
Transfers and grants	7,229	-	-	-	-	-	(7,229)	(7,229)	-	-	-
Other expenditure	19,661	-	-	-	-	-	(6,635)	(6,635)	13,026	15,147	15,608
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	105,516	-	-	-	-	-	(18,181)	(18,181)	87,335	93,407	97,693
Surplus/(Deficit)	(30,983)	-	-	-	-	-	6,223	6,223	(24,761)	(20,600)	(19,449)
Transfers recognised - capital	18,370	-	-	-	-	-	15,647	15,647	34,017	17,087	16,533
Contributions	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)
Taxation	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(12,613)	-	-	-	-	-	21,869	21,869	9,256	(3,513)	(2,916)

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B5

NC077 Siyathemba - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2013

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY OFFICE	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL & ENGINEERING SERVICES	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted											
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY OFFICE	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	-	-	-	-	-	-	13,500	13,500	13,500	-	-
Vote 4 - TECHNICAL & ENGINEERING SERVICES	23,035	-	-	-	-	-	(2,335)	(2,335)	20,700	13,658	12,921
Vote 5 - [NAME OF VOTE 5]	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	23,035	-	-	-	-	-	11,165	11,165	34,200	13,658	12,921
Total Capital Expenditure - Vote	23,035	-	-	-	-	-	11,165	11,165	34,200	13,658	12,921
Capital Expenditure - Standard											
Governance and administration	-	-	-	-	-	-	-	-	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	-	-	-	13,500	13,500	13,500	-	-
Community and social services	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	13,500	13,500	13,500	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	4,542	-	-	-	-	-	-	-	4,542	6,500	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-
Road transport	4,542	-	-	-	-	-	-	-	4,542	6,500	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Trading services	18,493	-	-	-	-	-	(2,335)	(2,335)	16,158	7,158	12,921
Electricity	6,635	-	-	-	-	-	(2,335)	(2,335)	4,300	3,950	3,100
Water	-	-	-	-	-	-	-	-	-	-	-
Waste water management	11,858	-	-	-	-	-	-	-	11,858	3,208	9,821
Waste management	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	23,035	-	-	-	-	-	11,165	11,165	34,200	13,658	12,921
Funded by:											
National Government	20,635	-	-	-	-	-	13,565	13,565	34,200	13,658	12,921
Provincial Government	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Total Capital transfers recognised	20,635	-	-	-	-	-	13,565	13,565	34,200	13,658	12,921
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2,400	-	-	-	-	-	(2,400)	(2,400)	-	-	-
Total Capital Funding	23,035	-	-	-	-	-	11,165	11,165	34,200	13,658	12,921

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B6

NC077 Siyathemba - Table B6 Adjustments Budget Financial Position - 28/02/2013

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
ASSETS											
Current assets											
Cash	1						-	-	1	1	1
Call investment deposits	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	3,382	-	-	-	-	-	2,307	2,307	5,689	1,329	1,835
Other debtors	14,741						(13,741)	(13,741)	1,000	24,216	74,205
Current portion of long-term receivables	25						(10)	(10)	15	23	22
Inventory	332						168	168	500	332	332
Total current assets	18,480	-	-	-	-	-	(11,276)	(11,276)	7,205	25,901	76,394
Non current assets											
Long-term receivables	66						(28)	(28)	38	65	63
Investments	-						-	-	-	-	-
Investment property	-						-	-	-	-	-
Investment in Associate	-						-	-	-	-	-
Property, plant and equipment	276,215	-	-	-	-	-	-	-	276,215	278,770	279,752
Agricultural	-						-	-	-	-	-
Biological	-						-	-	-	-	-
Intangible	32						(32)	(32)	0	31	29
Other non-current assets	-						-	-	-	-	-
Total non current assets	276,314	-	-	-	-	-	(61)	(61)	276,253	278,866	279,845
TOTAL ASSETS	294,794	-	-	-	-	-	(11,337)	(11,337)	283,458	304,766	356,239
LIABILITIES											
Current liabilities											
Bank overdraft	23,730						(23,730)	(23,730)	0	30,827	24,589
Borrowing	415	-	-	-	-	-	105	105	520	478	549
Consumer deposits	-						550	550	550	-	-
Trade and other payables	21,018	-	-	-	-	-	(8,518)	(8,518)	12,500	19,838	59,825
Provisions	3,420						(3,000)	(3,000)	420	2,731	2,955
Total current liabilities	48,584	-	-	-	-	-	(34,593)	(34,593)	13,991	53,874	87,919
Non current liabilities											
Borrowing	1,420	-	-	-	-	-	141	141	1,561	942	393
Provisions	14,275	-	-	-	-	-	2,026	2,026	16,301	15,204	16,194
Total non current liabilities	15,695	-	-	-	-	-	2,167	2,167	17,862	16,147	16,587
TOTAL LIABILITIES	64,279	-	-	-	-	-	(32,426)	(32,426)	31,853	70,020	104,506
NET ASSETS	230,516	-	-	-	-	-	21,089	21,089	251,605	234,746	251,733
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	230,516	-	-	-	-	-	21,089	21,089	251,605	234,746	251,733
Reserves	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	230,516	-	-	-	-	-	21,089	21,089	251,605	234,746	251,733

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B7

NC077 Siyathemba - Table B7 Adjustments Budget Cash Flows - 28/02/2013

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	39,329						-	-	39,329	43,068	46,316
Government - operating	27,798						(6,627)	(6,627)	21,171	29,927	30,166
Government - capital	18,300						70	70	18,370	9,708	9,821
Interest	350						(50)	(50)	300	400	450
Dividends	-						-	-	-	-	-
Payments											
Suppliers and employees	(79,640)						24,402	24,402	(55,238)	(74,180)	(74,913)
Finance charges	(1,376)						376	376	(1,000)	(1,449)	(1,528)
Transfers and Grants	(813)						813	813	-	(500)	(500)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,947	-	-	-	-	-	18,984	18,984	22,931	6,974	9,812
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	-						-	-	-	-	-
Decrease (Increase) in non-current debtors	-						-	-	-	-	-
Decrease (increase) other non-current receivables	3						-	-	3	3	3
Decrease (increase) in non-current investments	-						-	-	-	-	-
Payments											
Capital assets	(23,035)						-	-	(23,035)	(13,658)	(12,921)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(23,032)	-	-	-	-	-	-	-	(23,032)	(13,655)	(12,918)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	-						-	-	-	-	-
Borrowing long term/refinancing	-						-	-	-	-	-
Increase (decrease) in consumer deposits	-						-	-	-	-	-
Payments											
Repayment of borrowing	(361)						(159)	(159)	(520)	(415)	(478)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(361)	-	-	-	-	-	(159)	(159)	(520)	(415)	(478)
NET INCREASE/ (DECREASE) IN CASH HELD	(19,446)	-	-	-	-	-	18,825	18,825	(621)	(7,097)	(3,584)
Cash/cash equivalents at the year begin:	(4,284)						5,905	5,905	1,621	(23,730)	(30,827)
Cash/cash equivalents at the year end:	(23,730)						24,730		1,000	(30,827)	(34,410)

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B8

NC077 Siyathemba - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2013

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Cash and investments available											
Cash/cash equivalents at the year end	(23,730)	-	-	-	-	-	24,730	24,730	1,000	(30,827)	(34,410)
Other current investments > 90 days	1	-	-	-	-	-	(1,000)	(1,000)	(999)	1	9,822
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	(23,729)	-	-	-	-	-	23,730	23,730	1	(30,826)	(24,588)
<u>Applications of cash and investments</u>											
Unspent conditional transfers	6,032	-	-	-	-	-	(3,532)	(3,532)	2,500	4,852	44,839
Unspent borrowing								-	-		
Statutory requirements								-	-		
Other working capital requirements	1,491	-					2,061	2,061	3,552	(7,082)	(50,720)
Other provisions	3,420							-	3,420		
Long term investments committed	-	-					-	-	-	-	-
Reserves to be backed by cash/investments	-	-					-	-	-	-	-
Total Application of cash and investments:	10,944	-	-	-	-	-	(1,471)	(1,471)	9,473	(2,230)	(5,881)
Surplus(shortfall)	(34,673)	-	-	-	-	-	25,201	25,201	(9,472)	(28,596)	(18,708)

SIYATHEMBA MUNICIPALITY - ADJUSTMENT BUDGET 2013/2014

Table B9

NC077 Siyathemba - Table B9 Asset Management - 28/02/2013											
Description	Budget Year 2013/14									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2014/15	+2 2015/16
R thousands	A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE											
<u>Total New Assets to be adjusted</u>	23,035	-	-	-	-	-	-	-	23,035	13,658	12,921
Infrastructure - Road transport	4,542	-	-	-	-	-	-	-	4,542	6,500	-
Infrastructure - Electricity	6,635	-	-	-	-	-	-	-	6,635	3,950	3,100
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	11,858	-	-	-	-	-	-	-	11,858	3,208	9,821
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	23,035	-	-	-	-	-	-	-	23,035	13,658	12,921
Community	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure to be adjusted</u>	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	4,542	-	-	-	-	-	-	-	4,542	6,500	-
Infrastructure - Electricity	6,635	-	-	-	-	-	-	-	6,635	3,950	3,100
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	11,858	-	-	-	-	-	-	-	11,858	3,208	9,821
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	23,035	-	-	-	-	-	-	-	23,035	13,658	12,921
Community	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	23,035	-	-	-	-	-	-	-	23,035	13,658	12,921
ASSET REGISTER SUMMARY - PPE (WDV)											
Infrastructure - Road transport	91,304	-	-	-	-	-	-	-	91,304	97,419	97,419
Infrastructure - Electricity	20,397	-	-	-	-	-	-	-	20,397	18,893	18,893
Infrastructure - Water	65,534	-	-	-	-	-	-	-	65,534	60,107	60,107
Infrastructure - Sanitation	49,029	-	-	-	-	-	-	-	49,029	58,633	58,633
Infrastructure - Other	5,344	-	-	-	-	-	-	-	5,344	5,344	5,344
Infrastructure	231,609	-	-	-	-	-	-	-	231,609	240,397	240,397
Community	6,223	-	-	-	-	-	-	-	6,223	5,887	5,887
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	37,965	-	-	-	-	-	-	-	37,965	34,808	34,808
Intangibles	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	275,798	-	-	-	-	-	-	-	275,798	281,093	281,093
EXPENDITURE OTHER ITEMS											
<u>Depreciation & asset impairment</u>	10,588	-	-	-	-	-	-	-	10,588	11,105	11,547
<u>Repairs and Maintenance by asset class</u>	3,690	-	-	-	-	-	(747)	(747)	2,944	3,141	3,145
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	3,690	-	-	-	-	-	(747)	(747)	2,944	3,141	3,145
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	14,278	-	-	-	-	-	(747)	(747)	13,531	14,246	14,692
<u>% of capital exp on renewal of assets</u>	0.0%	0.0%							0.0%	0.0%	0.0%
<u>Renewal of existing assets as % of deprecn</u>	0.0%	0.0%							0.0%	0.0%	0.0%
<u>R&M as a % of PPE</u>	1.3%	0.0%							1.1%	1.1%	1.1%
<u>Renewal and R&M as a % of PPE</u>	1.3%	0.0%							1.1%	1.1%	1.1%

PART 2 - SUPPORTING DOCUMENTATION

Section 5 - Adjustments to budget assumptions

No changes were made to the budget assumptions as included in the A Schedule for 2013/2014

Section 6 - Adjustments to budget funding

6.1 Summary of the impact of the adjustments budget

6.1.1 Funding of operating and capital expenditure

The cash and cash equivalent situation will deteriorate to an overdraft of - R 7,097 000.00 by the end of June 2014 if all creditors are paid timeously. The budget is definitely not cash funded.

Refer to Annexure 1 'Supporting Table SB15: Adjustments Budget - monthly cash' for further details.

6.1.2 Financial plans

At this stage Siyathemba Municipality has not yet adopted a long-term financial plan that is fully funded. It is therefore difficult to provide inputs on how the adjustment budget will influence the financial plan.

6.1.3 Reserves & Provisions

None of the reserves or provisions will be cash backed at 30 June 2014. The provisions to be cash funded will amount to R 13 991 000.00; whilst no reserves exist currently. The provisions are mainly for trade creditors.

6.1.4 Financial sustainability of the Municipality

The financial sustainability of the Municipality is under pressure due to the unfunded employee benefit provisions and poor payment of municipal services.

These provisions include the following:

- Post-retirement health care benefits;
- Staff long service awards;
- Ex gratia Pension; and
- Staff leave

Refer to Annexure 1 - 'Supporting Table SB6 Adjustments Budget - funding measurement' for more detail.

6.2 Expenditure funded in accordance with MFMA section 18

All revenue streams have been adjusted to be realistic. See paragraph 6.1.1 for more details regarding the non-funding of the budget.

6.3 Adjustments to the monetary investments

No investment was adjusted.

6.4 Adjustments to contributions and donations in cash or in-kind

None

6.6 Adjustments related to proceeds from the sale of assets

None

6.7 Adjustments related to proceeds from the lease of assets, where the period of the lease is three years or more

None

6.8 Adjustments related to the planned use of previous years' cash backed accumulated surplus

None

6.9 Adjustments related to new proposed loans to be raised in the budget year

None

Section 7 - Adjustments to expenditure on allocations and grant programmes

- The only grant that was received additionally was the Project Nala Grant amounting to R2 500 000.00 and R13.5 million to be received from COGHSTA.

Disclosure on allocations and grant programmes is done by way of the following tables in Annexure 1:

- Supporting Table SB7 Adjustments Budget - transfers and grant receipts
- Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme
- Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds

Section 8 - Adjustments to allocations or grants made by the Municipality

- There are no allocations or grants made by the municipality.

Section 9 - Adjustments to councillors and board members allowances and employee benefits

No adjustments were made with regards to allowances and employee benefits.

Refer to Annexure 1, 'Supporting Table SB11 Adjustments Budget - councillor and staff benefits' for further details.

Section 10 - Adjustments to service delivery and budget implementation plan

10.1 Quarterly service delivery targets and performance indicators in the SDBIP

No adjustments were made to any non-financial indicators.

10.2 Key financial indicators

The annual collection rate was set at 60% for the year in the adjustments budget.

Refer to Annexure 1 'Supporting Table SB4: Adjustments to budgeted performance indicators and benchmarks' for further details.

10.3 Monthly targets for revenue, expenditure and cash flow

Disclosure on monthly targets for revenue, expenditure and cash flow is made in Annexure 1 in the following Supporting Tables:

Monthly operating budget revenue and expenditure projections

'Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote)' and 'Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (standard classification)' reflects revenue and expenditure broken down per month for the budget year, and shown in total for the following two years.

'Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure' reflects consolidated projections of revenue by source and expenditure by type for the budget year broken down per month for the budget year, and shown in total for the following two years.

Monthly capital budget revenue and expenditure projections

'Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote)' and 'Supporting Table SB17 Adjustments Budget - monthly capital expenditure (standard classification)' show capital expenditure broken down per month for the budget year, and shown in total for the following two years.

Monthly cash flow projections

'Supporting Table SB15 Adjustments Budget - monthly cash flow' sets out receipts by source and payments by type for both operating and capital, broken down per month for the budget year, and shown in total for the following two years.

Section 11 - Adjustments to capital expenditure

As already mentioned in the executive summary; the capital budget was adjusted upwards from R

The Capital details are shown in Annexure 1:

- Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote)
- Supporting Table SB17 Adjustments Budget - monthly capital expenditure (standard classification)
- Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class
- Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class
- Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class
- Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget

Section 12 - Other supporting documents

Apart from all the supporting tables as Annexure 1 (Supporting tables SB1 to SB20) there is none other supporting documents included.

Section 13 - Municipal Manager's quality certification

An adjustments budget and supporting documentation must be covered by a quality certificate in the format as per page 75 of the Government Gazette 32141 - 17 April 2009.

QUALITY CERTIFICATE

I; John Roberto Morris Alexander; Municipal Manager of Siyathemba Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the District Municipality.

Print Name _____

Municipal Manager of Siyathemba Municipality (NC077)

Signature _____

Date _____